Price hike of steel products

†1318. DR. MURLI MANOHAR JOSHI:
SHRI RAVI SHANKAR PRASAD:

Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the steel producing companies of the country have increased the prices of their products several times during the last four months;

(b) if so, the names of the products, the prices of which have been increased during this period together with the extent of increase in the prices of these products;

(c) whether the public sector companies have influenced the prices by reducing the rate of rebate recently; and

(d) if so, the facts in this regard and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) and (b) The steel sector in the country is deregulated and therefore the price of various steel products are decided by the prevailing market conditions primarily depending upon demand supply situation and the landed cost of imports. The movement in prices of selected steel items at Mumbai retail market during the last four months is given in the enclosed statement. *(See* below)

(c) and (d) The Rashtriya Ispat Nigam Limited (RINL) is not offering any rebate for any products. In the case of Steel Authority of India Limited (SAIL), rebates are given at different rates at different locations in consonance with the prevailing market price. Further, selling prices of steel in a market are governed by many dynamic factors, which include competitor's activities, landed prices of imports, price and availability of substitutes etc.

Statement

Steel prices of selected items at Mumbai retail market during last four months

(Rs/tonne)

	July 2007	August 2007	September 2007	October 2007	% Variation *(Oct Vs July)*
Pig Iron (LM Gr. IV)	19000	195000	1900	19500	-2.63
TOR/TOT (10 mm)	32000	32000	30150	30250	-5.47
Wire Rods (8 mm)	31000	31000	30250	30350	-2.10
Rounds (16 mm)	30000	30000	29250	29250	-2.50
Plates (12 mm)	35000	35000	33750	33750	-3.57
HR Coil (2.5 mm)	35000	35000	33750	33750	-3.57

† Original notice of the question was received in Hindi.

	July 2007	August 2007	September 2007	October 2007	% Variation *(Oct Vs July)*
CR Coil (0.63 mm)	38500	38500	36750	36750	-4.55
GP Sheets (0.63 mm)	40000	40000	39250	39000	-2.50
Pencil Ingot/ Billets (100 mm)	24500	24500	25350	26350	7.55

(Source: ERU/JPC) .

NOTE: (i) Prices are inclusive of Excise Duty and Sales Tax.
(ii) All prices are indicative.

National Steel Policy

1319. SHRI RAJKUMAR DHOOT: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the National Steel Policy envisages indigenous steel production of 110 MT per annum by 2019-20;

(b) if so, the details thereof and the shares of public and private sector units therein; and

(c) the details of the new steel production units and expansion programme of the existing units during the next five years?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) In the National Steel Policy 2005 it has been projected that in order to become self reliant and globally competitive in the steel sector the country would require indigenous production of 110 million tonnes of steel by 2019-2020.

(b) and (c) While reviewing the investment scenario in the steel sector, based on commitments made by the producers it is anticipated that the steel production capacity in the country is likely to be 124.06 million tonne by the year 2011-12. The details of the break-up is given in the enclosed Statement.

Statement

Details of steel production capacity by the year 2011-12

Investor	Existing Capacity	Brown field Expansion Plan	Greenfield-Projects	Total likely in 2011-12
1	2	3	4	5
(A) Public Sector				
SAIL	12.84	12.00	-	24.84
RINL	2.90	3.90	-	6.80
NINL	-	1.10	-	1.10
Sub Total	15.74	17.00		32.74